



ENVISION ARLINGTON FISCAL RESOURCES TASK GROUP  
Meeting Minutes 7:30 PM 11/14/19

Town Manager's Conference Room

ATTENDEES: Gordon Jamieson (Co-Chair), David Garbarino (Co-Chair), Michael DeLisi, Jonathan Haughton, Pete Howard (Secretary), Deputy Town Manager Sandy Pooler

Introductions: Sandy welcomed us and we introduced ourselves

FRTG activities: Gordon reviewed our interest in New Growth as a key to postponing an override.

Sandy demonstrated the new projector w/ a tricky introduction and then gave a clear explanation of how the Town determines New Growth.

The basis for the annual New Growth budget estimate is associated with building permits posted by the Inspection Department. Refer to Ref 1 for permit fees. See Ref 3 for a history of annual building permit value 2004 to 2019.

The Building Inspector meets with the Developer of each sizable project. They come to an agreement on the cost of the project, with the help of an independent 3d party if necessary. The permit with cost and fees is posted on an Inspection Department database. The link to this data base [Arlingtonma.gov](http://Arlingtonma.gov) is provided in Ref2.

The Assessors monitor this database. If the project includes features that provide increased value and therefore not previously taxed, the cost of these features when the project is complete, as of Jan 1, are added to the assessed value and are added to New Growth for the next fiscal year starting July 1.

Sandy emphasized that a project may not increase the value of a property, especially if it is mostly maintenance work. See Ref 2 for examples. Also, roads and solar power improvements are not taxed.

Utility upgrades may also create new value that is the added to New Growth.

Mike told of a property that had extensive improvements but there was no assessment change until the property was sold several years later. Sandy asked for the specifics saying he would look into it.

A general discussion followed of the possibilities for tax abatements on residential property.

Attendees thanked Sandy for an interesting meeting.

The meeting adjourned at 9:00.

Next mtg Dec 19

Meetings monthly - 3rd Thursdays 7:30 PM - Usually in Senior Center

Ref 1 Schedule of Permit Fees

Ref 2 Building Permits & New Growth

Ref 3 Building, Plumbing, Gas Permits

## Building Permits and New Growth

Ref 1

### Building Permits

Permits are priced according to fee schedule. (See attachment)

#### New Construction

Cost of construction up to \$150,000

\$20 per \$1,000 of estimated cost of construction

Cost of construction over \$150,000

\$5 per \$1,000 of estimated cost of construction

Minimum fee

\$50

Inspections staff reviews cost estimates. It can go to a third party estimator if there is a dispute about the construction cost value.

Building permits are available to view on-line at:

<https://www.arlingtonma.gov/departments/inspectional-services/view-building-permits>

### New Growth

Assessing staff monitors on-line permit system and periodically visits sites to monitor progress of construction.

New growth is the taxation of something that was not previously taxed. For example:

New building

Addition

Full gut job

Dormers

Finishing a basement

Converting a 2 family house to two condominiums (the New Growth the difference between the value of the 2 family house and of the two condominiums)

Information about these additions is entered into the Assessor's database, which calculates a new value for the property. The difference from the previous value is New Growth.

While assessments generally are as of January 1 of each year, the Assessors can capture new construction that occurs up to June 30 each year.

### New Growth vs. New Assessments

Many property improvements enhance existing buildings, but do not create new taxable property. For example, renovating a kitchen may increase a property's assessment such that the property is now worth more than neighboring houses, but does not create New Growth, because the construction enhanced an existing property. Other examples of improvements that increase assessments but do not create New Growth are:

Roof replacements

Window replacements

Painting

Normal maintenance

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# Building, Plumbing, Gas Permits

